

R 311247Z MAR 09
FM AMEMBASSY LUXEMBOURG
TO SECSTATE WASHDC 6571
INFO FCC WASHDC
USDOC WASHDC

UNCLAS LUXEMBOURG 000091

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E.O. 12958: N/A
TAGS: [ECPS](#) [ECON](#) [LU](#)
SUBJECT: LUXEMBOURG PUBLIC INVESTMENT IN IT INFRASTRUCTURE

REF: STATE 27310

¶1. In response to reftel, Post has collected the following information on GoL's public investment in Luxembourg's IT infrastructure.

¶2. As part of an overall stimulus package announced in February 2009, Economy Minister Jeannot Krecke and Communications Minister Jean-Louis Schiltz highlighted additional public investment in Luxembourg's IT infrastructure, including expansion of LuxConnect's broadband deployment. P&T Luxembourg, the national post and telecommunications company, announced an investment increase from 128 million to 202 million euros. A second public enterprise, LuxConnect, announced a 100 million euro investment, after having previously indicated it had no plans for further investment in 2009.

¶3. The GoL identified several objectives of the increased investment. In addition to creating jobs and stimulating the economy, the investments will expand broadband coverage and bandwidth to underserved areas of Luxembourg. The government expects the investment to open up Luxembourg's telecommunications market to more competition. Improvements to the infrastructure will include faster connection speeds, an expanded fiber-optic cable network, two additional data centers, and renovated P&T offices.

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